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**SECURITY INFORMATION**

**CENTRAL INTELLIGENCE AGENCY**

**OFFICE OF NATIONAL ESTIMATES**

10 September 1953

**MEMORANDUM FOR:** Mr. Allan Evans (OIR)  
Colonel W. H. Hennig, USA (G-2)  
Captain Allan L. Reed, USN (ONI)  
Colonel Charles F. Gillis, USAF (AFONI-2D2)  
Captain E. T. Layton, USN (JIG)

**SUBJECT:** NIE-101: The Outlook in Western Europe Over  
the Next Decade

1. The attached terms of reference, indicating the allocations of production responsibility, were agreed on at the meeting of the IAC representatives on 9 September.

2. It is requested that contributions be received in this office by the close of business on 1 November.

*Paul A. Borel*  
PAUL A. BOREL  
Deputy Assistant Director  
National Estimates

Distribution "B"

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CENTRAL INTELLIGENCE AGENCY

9 September 1953

SUBJECT: TERMS OF REFERENCE: NIE-101: THE OUTLOOK IN WESTERN  
EUROPE OVER THE NEXT DECADES\*

THE PROBLEM

To analyze political, economic, and military trends in Western Europe and to estimate (a) Western Europe's probable attitude and role in the East-West conflict, and (b) the prospects for an increase in political stability and economic and military strength in Western Europe.

SCOPE

This estimate should assess the probable degree of progress toward achievement of a viable and defensible Western Europe, closely allied to the US. The approach of the paper should wherever possible be regional in scope, descending to the country level only

\* Western Europe is taken to include all Western European states except Greece, Turkey, and Finland.

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where developments within a particular country will have a major influence on the over-all picture. The estimate should be based wherever possible on the NIE's already completed on the major Western European countries. Finally, in any estimate as broad and long-range as this one, we will probably be unable to make many precise forecasts, but will have to discuss various major contingencies (such as world depression, a major shift in Soviet tactics, alternate developments with respect to Germany, etc.) and analyze probable trends as a result of each.

#### QUESTIONS BEARING ON THE PROBLEM

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#### I. PROBABLE POLITICAL AND SOCIAL TRENDS\*

- A. Briefly, what is the extent and significance of the chief political and social trends since World War II (decline of the left, weakness of extreme right, predominance of center governments, decline in influences of organized labor, emphasis on social security, etc.)? Is it correct to say there has been political stability, except in France?

\* Since this and the subsequent sections are all closely inter-related, these interrelationships should be spelled out.

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- B. What future political trends are discernible? Will there be a movement toward right or left, as opposed to continued predominance of centrist and largely Christian Democratic governments, etc.? What is the likelihood of the growth of extreme nationalism? Is there a trend toward realignment of political forces? Toward lesser or greater political instability? Shifts in position of organized labor, etc.? What major contingencies might affect these trends?
- C. What are probable trends in Communist strength and capabilities? How would these trends be affected by: (1) depression; (2) shifts in Soviet tactics; (3) increased internal difficulties within the Soviet Bloc; (4) progress toward greater Western European viability, defensibility, integration, etc.? Is there likely to be any renewed trend toward Communist participation in any major WE governments?

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## II. PROBABLE ECONOMIC TRENDS

- A. Briefly, what has been the extent of postwar economic recovery -- increase in industrial and agricultural production and productivity; shifts in real income; trend in over-all B/P and dollar deficits, etc.? (A brief

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statistical summary would be desirable, covering 1938, 1945, and 1952.) What is Europe's current economic situation?

- B. Probable future trends in European economic policy. For example, toward convertibility and freer trade or toward protectionism? Trend toward or away from managed economies or socialism? What economic policies are WE governments likely to pursue?
- C. What is the economic outlook over the next decade (trends in GNP, balance of payments, standard of living, investment, etc.)? Is there likely to be continued growth or stagnation, etc.?
- D. What major contingencies might affect B and C above, i.e., US economic policies, greater East-West trade, world depression, European integration, etc.? Decreased availability of resources from Asia and Africa? To what extent could Europe offset decreasing US aid by increased trade with other areas, including the Soviet Bloc?
- E. Prospects for European economic viability. To what extent can Europe achieve viability (including allocation of

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resources to defense to meet NATO commitments) without continued US aid?

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III. PROBABLE SCIENTIFIC AND TECHNOLOGICAL TRENDS

What is Europe's likely scientific and technological progress over the next decade, and what are its economic and military implications? What is the likelihood of the development of an independent Western European atomic warfare capability, and its influence on Western Europe's position in the East-West struggle?

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IV. COMMON AND CONFLICTING ATTITUDES AND INTERESTS OF THE WESTERN EUROPEAN NATIONS AS THEY RELATE TO THE EAST-WEST STRUGGLE

The patterns of common and conflicting attitudes and interests of the various Western European countries, and their relative importance, have a major bearing on the attitudes of these countries both toward European integration and toward the East-West struggle. While we cannot break these down in detail, and analysis of the major lines of mutual and conflicting interests and attitudes among the Western European nations, and between them and the US and USSR, is essential to a prognosis of future trends.

- A. What are the main fields of common and conflicting attitudes and interests among the various Western European countries themselves (i.e., fear of the USSR, fear of war, desire for economic viability, Franco-German differences, etc.)? To the extent possible, what is the relative importance

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of these interests, i.e., is there sufficient common desire for unity to outweigh considerations of narrow nationalism? Are these common interests widely recognized? Are there any discernible trends toward reducing or intensifying of conflicts of interests? Toward narrowing or broadening of common interests?

- B. What are the main fields of common or conflicting interests between the various Western European states and the USSR (German-Soviet conflict of interest over German territories, common Franco-Soviet concern over German threat, Christianity vs. atheism, etc.)? To what extent can these be generalized on a regional basis? What is the European attitude toward Communism? Toward the Soviet threat? To what extent do the Europeans favor greater East-West trade, etc.? Do they see any common interests with the European Satellites, as opposed to the USSR? What are the existing trends toward broadening or narrowing of common or conflicting interests?
- C. What are the chief common and conflicting interests between the various Western European countries and the US (concern over the Soviet threat, estimates of this threat, ideas as to policies toward the Bloc, toward colonial areas, toward East-West trade, etc.)? To what extent can these

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be generalized on a regional basis? What is the European attitude toward the US? Their view of Europe's dependence on the US? To what extent do the Europeans see their values and objectives as similar to or different from those of the US?

- D. What major contingencies might markedly affect the above patterns of attitudes and interests, i.e., more aggressive Soviet policies, a substantial relaxation of tensions, shift in US policies, world depression, etc.?

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V. PROSPECTS FOR GREATER EUROPEAN INTEGRATION

- A. What is the degree of political, economic, and military integration so far, and its implications?
- B. On the basis of I-IV above, what are the basic factors working for and against further integration, and the major contingencies which will affect it?
1. Nationalism -- conflicts of national interests.
  2. West Germany's role in Europe? West Germany's own desire to play a major European role; the reaction of other European powers to Germany's desires; the impact of Germany's desires for unity?

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3. Impact of actual reunification of Germany?
4. UK and Scandinavian attitudes.
5. French weakness and hesitations.
6. Italo-Yugoslav differences.
7. Europe's economic situation.
8. Impact of clerical-anti-clerical cleavages;  
Socialist suspicion of Christian Democratic  
parties; Catholic-Protestant divisions, etc.
9. Impetus of increase or diminution in Soviet threat?
10. Impetus of increase or diminution in US pressure and  
aid?

C. Prospects for further integration -- political, economic, military? What institutional forms are likely to be used for further integration? What countries are likely to be included, e.g., Spain, Yugoslavia? What is the probable impact of integration on Western European visibility and defensibility?

VI. PROBABLE EUROPEAN POLICIES IN EAST-WEST CONFLICT

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- A. Is there a dominant European view of Europe's position in East-West struggle? What is the extent of neutralism; of feeling Europe helpless between two great power blocs; of

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belief US should carry more of the burden; of a European inferiority complex in the face of predominant US power and European dependence on US aid; of concern over US "anti-colonialism"? Are there any significant differences between governmental policies and popular attitudes? To what extent has there been a decline in confidence in the US?

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- B. What is the likely evolution of European policies in the East-West conflict: (a) assuming a continuation of active cold war, and (b) in event of a continued shift toward a "softer" Soviet policy? What variations in national policies would be likely to develop?
1. To what extent will Europe continue to support NATO rearmament, EDC, etc., particularly in event of reduced international tensions?
  2. What is the probable impact on European policies of the development of a recognized Soviet atomic capability, comparable to that of the US?
  3. What are the chances of a widening rift between US and Western European policies over such issues as:  
(a) rearmament; (b) East-West trade; (c) "aggressive US programs," i.e., directed at liberation of the

Satellites; (d) US use of atomic weapons; etc.?

To what extent will the Europeans favor a more cautious policy toward the Soviet Bloc, more emphasis on negotiation, more of an effort to meet the Soviets "halfway," etc.?

4. What would be the effect on Europe's attitudes and policies of: a continued decline in US aid; and/or decreased US interest in Western Europe; and a shift in US emphasis to Asia?
5. Are there likely to be any shifts in European attitudes toward the presence of US forces in Europe?

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- C. What are the prospects for development of a European "Third Force;" of European neutralism; impact of decreased US interest in Europe -- would it lead to continental neutralism? Might the development of a stronger and more integrated Europe accentuate Third Force tendencies?

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PROBABLE DEVELOPMENT OF WESTERN EUROPEAN DEFENSE CAPABILITIES

We propose to avoid war-gaming by taking existing NATO requirements and to assess merely the extent to which Western Europe is likely to reach these goals.

- A. In the light of the trends in I-VI above, what are European political and economic capabilities for meeting

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NATO requirements? What relative emphasis is likely to be placed on rearmament versus economic development, stabilization, rise in living standards, etc.? To what extent are NATO requirements actually likely to be achieved? What major contingent factors might influence this likelihood?

B. What is the likelihood and probable extent of a Spanish and Yugoslav contribution?

C. Probable trends in European will-to-resist in event of war  
What impact might the USSR's developing atomic capabilities have on this will-to-resist?

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